Committee on Resources

Subcommittee on Fisheries Conservation, Wildlife & Oceans

Witness Testimony

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Serving the shore based seafood processing industry in

California, Oregon and Washington

STATEMENT OF ROD MOORE, EXECUTIVE DIRECTOR

BEFORE THE SUBCOMMITTEE ON FISHERIES

CONSERVATION, WILDLIFE & OCEANS

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Mr. Chairman, Members of the Subcommittee, I want to thank you for taking the time to examine some of the problems affecting management of the Pacific groundfish fishery. Special thanks are due to Chairman Young and Ranking Member Miller for their particular interest in this topic.

For the record, my name is Rod Moore, I live in Portland, OR, and I am the Executive Director of the West Coast Seafood Processors Association (WCSPA). Our Association's members - who are all American-owned, on-shore processors - operate facilities in California, Oregon, and Washington which process the majority of Pacific groundfish, Dungeness crab, and pink shrimp landed in those States, along with salmon, swordfish, albacore tuna, and other species. Several of our members operate processing facilities or vessels in Alaska, and several are involved in transportation and distribution of seafood products. However, the processing of Pacific groundfish is the most significant part of their businesses.

You've heard people refer to the current situation with west coast groundfish as a "crisis." That term has been used before, especially in conjunction with northeast fisheries. In the 1980's, the New England fisheries suffered a collapse, brought on by years of disagreement between the seafood industry, the Council, and NMFS. While the conflicting parties argued, thirty years of scientific research were ignored. The result was not only biological problems for the fish, but social and economic problems for New England coastal communities as well.

What's the difference between them and us? We have quotas, we have catch reporting systems, we have management tools, and we have enforcement. What we *don't* have is the wealth of scientific data available to New England. In effect, twenty years of scientific neglect, compounded by policy decisions based on the

fear that the New England example could recur, have created the same social and economic problems on the west coast, *even though our fish stocks may be in good shape!*

Just look at the numbers. The value of the groundfish fishery in Oregon alone in 1997 was greater than the value of crab, shrimp, salmon, and all other finfish combined. It was nearly four times the amount appropriated in FY 98 for NMFS fishery management programs. Members of our Association employed more workers than the number of FTEs assigned to NMFS.

Now compare us to New England. The NMFS Northeast Fisheries Science Center has approximately 120 FTEs working on groundfish; there are only 28 FTEs dedicated to west coast groundfish in the Northwest, Southwest, and Alaska Fishery Science Centers combined. The Northeast Center is supported by two NOAA research vessels that conduct a complete resource survey every year. The west coast and Alaska share one aging research vessel which conducts a partial continental slope survey on the west coast every year, and a more complete continental shelf and Pacific whiting hydrographic survey *every three years*. At the end of my testimony, I have enclosed a chart showing the west coast continental slope survey coverage since 1984 and a comparison of the research days at sea in Alaska and on the west coast by the R/V MILLER FREEMAN. The point is not to complain about the relative coverage in the 2 areas, but rather to demonstrate the overwhelming stress that we are placing on a single aging vessel.

Even within our region, groundfish research is the poor stepchild. According to a recent analysis, during the last 10 years nearly **$3 billion** has been poured into Columbia River salmon recovery efforts, yielding *fewer* fish returning to the Columbia River than when the program started. As for groundfish, we maintained a thriving fishery on approximately 1% of that amount.

But these years of neglect have caught up with us. It is impossible to know how many fish are in the sea, but with enough data points and sophisticated analytical tools, you can make a good guess. We've got the tools, but the data isn't there.

Let me cite some examples from stock assessments done in 1997, which were used by the Council to set harvest guidelines. These are all biomass estimates, which vary depending on which data you use, which assumptions you make about the fishery, and in some cases, which computer model you use:

Shortspine thornyhead low = 8,532 mt high = 70,464 mt

Yellowtail rockfish low = 27,784 mt high = 85,263 mt

Sablefish low = 48,542 mt high = 126,523 mt

Widow rockfish low = 45,220 mt high = 65,120 mt

With ranges like these, how can anyone determine with precision or accuracy the amount of fish we should be catching? We don't know whether we are overfishing or leaving millions of pounds of fish in the ocean while we starve to death on shore.

Yet these are the sorts of numbers that the Council has to work with, and they do what they can to set harvest guidelines for the fishery. Unfortunately, here's where the next set of problems arise.

In 1996, the Congress amended the Magnuson Stevens Fishery Conservation and Management Act and

imposed new standards and requirements on the Councils. We didn't all support all of these changes, but they are the law and we comply with it. Among other things, the Congress directed the Council to amend its fishery management plan to reflect the changes. The Council is attempting to do that, but as of yet there are no national standard guidelines published by the National Marine Fisheries Service on which to rely. Thus, not only is the Council making active management decisions based on virtually no data, it is also making those decisions based on no formal guidance.

So what happens? Again, a couple of examples. At the November, 1997, Council meeting, a motion was made to set an extremely low harvest level for sablefish. The motion lost on a tie vote. A second motion was made to set a higher harvest level based on analysis previously presented to the Council and the Groundfish Management Team. That motion lost by one vote. Finally, after a lengthy recess, the Council adopted a harvest level based on an analysis that had never been previously presented to the public. Aside from the lack of data, why all this confusion? In part because the policy that had quietly been announced by NMFS to the scientists and the Council was that "we are not going to have another New England happen here."

A second example: at the April, 1998, Council meeting, a NMFS scientist explained a new harvest policy that should be adopted because it was "risk averse." Under this policy, fishing could *never* take place at the MSY level, no matter how many fish are in the ocean and no matter that the law specifically provides that fishing up to the MSY level is allowed. When questioned about the origin of this proposal, the scientist replied that this had been adopted by a group of scientists under the direction of NMFS headquarters and this was the sort of policy that NMFS was going to look for when reviewing management proposals for approval.

Mr. Chairman, the last time I looked, the *Congress* writes the law, not an unidentified individual or group of individuals in the National Marine Fisheries Service. Yet because somebody in NMFS is paralyzed with fear that New England was not a unique occurrence, our fishery - and every other fishery in the United States - is being forced into a "one size fits all" mold that bears no relation to the realities of sustainable fisheries management.

How has our industry reacted, other than scrambling to stay alive? We have tried to be creative and innovative in solving the root problem: lack of data. For several years, the Oregon trawl industry, with support from the processing sector and fishermen from California and Washington, has carried out a pilot observer program to better calculate catches and discards. We convinced you in Congress to allow private vessels to be used for research, with partial payment made in fish, rather than money - a far less expensive proposition. We are in the process of refining that program with NMFS on the west coast.

My Association is working with a young NMFS employee on a Master's thesis project that will examine using processing plant workers to collect biological samples from fish being processed at the plant, thereby increasing overall sampling activity on the coast. We are supplying both funds and labor for the project. We are also exploring with NMFS a way to provide more useful fish ticket data to supplement the summary data that is now being used.

Gerald Gunnari was the first of several fishermen to provide expertise to NMFS on use of its research vessel and fishing gear. As a result of those efforts, the performance of the R/V MILLER FREEMAN has substantially improved.

We have been meeting regularly with NMFS scientists to design low-cost research projects that will increase our knowledge of groundfish. This year, NMFS will begin a port interview program designed by

fishermen in Newport, which will provide "fishermen's knowledge" of changes in catches and the ocean ecosystem, which can then trigger more refined scientific studies.

We have pushed for peer review of stock assessments and the use of a broad variety of data. The Council is now in the second year of a new stock assessment process that we hope will continue to improve the assessments. Recently, fishermen and processors have contributed their own funds to have an outside organization contract with an independent scientific group to perform stock assessments on two species. These assessments will provide an opportunity for a fresh look at the data available, and will be subject to the same peer review as those produced by NMFS. There are no preconditions set on the outside assessments, nor do we have any way of knowing what they will produce in terms of numbers; we simply believe it is time to get as many good scientists involved in the process as we can.

To address economic problems, the groundfish trawl industry, using new provisions in law added in 1996, is developing a groundfish permit buy-back program that will be funded entirely by the trawl fleet. While the program is still somewhat controversial in some areas, it is an honest attempt to use industry resources to respond to problems.

On a technical level, we have helped NOAA obtain funding for an electronic logbook program that will provide real-time data on fishing activity. This will supplement the existing extensive paper logbooks that fishermen already prepare.

One of the most innovative ideas that has been discussed involves turning wasted fish into funding for research. Under our management system, harvest guidelines for a fishery are set, based on the sort of data I described earlier. Using records of prior fleet performance, trip limits are then established for each species or species complex. The goal is to provide vessels with the opportunity to catch up to a certain amount of fish each month and to keep the fishery operating the entire year.

Unfortunately, with harvest guidelines - and thus trip limits - being set as low as they have been, fishermen often unavoidably take on board more of a species or species complex than they are allowed to land. This problem is exacerbated by the fact that there appear to be more of several species in the ocean than are reflected in the stock assessments. This is not bycatch in the sense of catching a species that is illegal to possess or that is the wrong species or size; this is fish which would be marketable if you hadn't already achieved your trip limit. Under the rules, however, fishermen have to dump these fish over the side.

For several years, many of us have decried the waste of this fish and sought some way to put it to use. Recently, following discussions with NOAA attorneys, we believe we have found a way to start a pilot project that would allow fishermen to land fish which otherwise would be wasted. Marketable fish in amounts greater than a trip limit - which we call "overages" - would be surrendered to an approved entity, such as the Pacific States Marine Fisheries Commission. The fish would be sold at market price to the local processor, and the proceeds would be used to help offset research costs. In time, as more research is done, the accuracy of stock assessments improve, and trip limits more precisely reflect the actual amount of fish available, overages would decrease. We believe that this will not only prevent the waste of useable protein and improve scientific knowledge, but will also comply with both the letter and the intent of the law's requirement to reduce bycatch.

There are technical problems that need to be resolved with this approach, but we believe we can surmount them. Unfortunately, it is not clear at this time whether NMFS is willing to look at this positive approach, rather than falling back on the bureaucratic mantra of "just say NO." Our industry is trying to be innovative

in the face of adversity; we hope that NMFS will react accordingly.

One other concept that has been advanced particularly by the environmental community deserves some discussion. Suggestions have been made that a series of marine protected areas, or marine refugia, be established where no fishing will be allowed. The theory is that these areas will be nursery grounds that will allow fish stocks to replenish themselves.

To begin with, this is not an alien concept to the seafood community; we've had them for years, but we call them "closed areas." Fishermen and processors have advocated closures to protect spawning areas, to avoid gear conflicts, and to prevent incidental take of certain species.

Marine refugia are different in that they close areas to *all* fishing: sport and commercial, fixed gear and mobile gear, resident and migratory species. We are not opposed to the concept, but we believe that some practical standards should be used in establishing them and that there are problems which must be addressed before they are established.

For example, we suggest that marine refugia be established for an agreed purpose, that their size and location be based on sound scientific data, that they be the minimum size necessary to meet the purpose for establishment, and that a clear procedure be implemented to determine when they are no longer useful and should be re-opened to use.

There are already numerous areas off the west coast that are effectively closed to fishing due to lack of concentration of harvestable species, bottom topography, or the existence of sea-floor obstructions, such as communications cables. Some of these areas should be investigated first. Further, marine refugia may work reasonably well for fish such as certain species of rockfish, that spawn, live, and die in fairly localized areas, but not for species such as Dover sole, Pacific whiting, flatfish, sablefish, and more migratory rockfish commonly found in midwater.

Finally on this topic, the interplay of legal authority needs to be addressed. On the west coast, some fisheries are managed by the States, some by the Council, some by tribal authorities, and some by international treaty. An agreed mechanism needs to be found to involve all of these parties, as well as the sport and commercial fishermen who will be directly affected, in establishing, monitoring, and maintaining marine refugia on the west coast.

So given all of this, Mr. Chairman, why are we here and what do we want? I'll try to provide some suggestions.

RESEARCH

The obvious need is for money and bodies for the west coast fisheries science centers to conduct the research that is needed to provide more accurate stock assessments. While we are all trying to help, this need cannot be ignored. There are several places in the NMFS budget where modest amounts could be re-directed towards this effort. Not counting a little extra that was found last year, the FY 98 appropriations for groundfish equaled just less than $4 million, spread between three fishery science centers (Northwest, Southwest, and Alaska). Boosting that to $6 million total would go a long way towards solving our problems.

VESSELS

The R/V MILLER FREEMAN, which we share with Alaska, is not going to last much longer. In the meantime, even with increased funding, we are stuck with triennial resource surveys. One option, for the longer term, is to provide a new research vessel. While this has advantages, it is expensive. The reaction from the west coast industry has been mixed. A shorter term and less expensive option would be to use industry vessels for the bulk of survey work. This will be tried this fall. Unfortunately, the data produced will not be considered part of the survey time series, although that time series itself has numerous problems due to the scope of coverage of past surveys, among other things. NMFS and the Congress need to make a choice, and they need to make it soon, on how to address this issue - new vessel or industry vessels. Either way, we have to get on with it so we don't let another year go by with nothing to show for it. We need annual surveys.

NMFS MANAGEMENT POLICIES

NMFS needs to be told to follow the law. National standard guidelines *based on reality* need to be issued. Policy decisions need to be taken out of the back room. We need to get away from this idea of punishing the seafood community because somebody is paranoid about what happened in New England ten years ago. Frankly, if NMFS continues on its present policy course, you can forget about funding the agency; none of us will be able to catch or process fish anyway, so save the taxpayers some money and we'll all go do something else. Congress passed the "Sustainable Fisheries Act" not the "Stop Fishing Act." Somebody needs to remind NMFS of the difference.

A SIMPLE, LOW-COST SOLUTION TO CAPACITY & ECONOMIC PROBLEMS

One of the difficulties fishermen have in leaving the fishery, even if they want to, is that many have invested over the years in the Capital Construction Fund (CCF) program. Under CCF, fishermen defer some of their profits by placing them in a fund which they later can use to build a new boat or rebuild their existing boat. However, if they want to leave the fishery, they have to pay a substantial penalty on the money in the fund, as well as paying taxes on CCF money at a high rate.

Congress has looked at changing or phasing out the CCF program many times. Perhaps you need to look once again. For example, you could expand the uses for CCF money; if an industry-funded buyback program is in place, let fishermen use their CCF accounts to pay the buyback assessments. Another alternative would be to allow fishermen to roll CCF accounts into an Individual Retirement Account or an education fund for their children. There would be little or no loss to the Treasury, because right now the money isn't being spent or taxed anyway; when it is taxed on retirement or when a child enters college, it would be roughly equivalent to taxes paid while constructing a new vessel - except we wouldn't be further stressing the fisheries.

JUMP-START THE BUREAUCRACY

Bureaucracies, by nature, are not innovative - but fishermen and processors are. That's how we survive. We get tired of trying to work cooperatively and creatively, only to run afoul of the argument that "we don't do things that way." I've seen numerous occasions in the past when - if NMFS wants to do something - they'll find the authority in the law; but when they don't want to do something, they'll tell you the law doesn't allow it.

There are a lot of good, hard-working people in NMFS, and often they are so overwhelmed by the demands we put on them that they find it easier to say "no." There are also those who find it easier to deal with

numbers than with real live fishermen and processors - sometimes I feel that way myself.

Nevertheless, there needs to be a new spirit and outlook in NMFS, one that seeks inspiration and creativity, one that stops treating the seafood community as the problem and starts treating us as partners in providing healthy, nutritious food for the world. That's not something you can legislate, but any encouragement would be welcome.

Mr. Chairman, as I said earlier, we don't have a crisis of no fish, we have a crisis of no science. Almost every fisherman and processor will tell you that what they see in the water and in the plants doesn't match what the computers say. Still, we need to be sure so that we don't overfish. I have tried to outline some of the things we are doing or that can be done. I'm not hear asking for major legislative relief or massive economic subsidies. We want to fix the problem and get on with our lives. You have already helped by holding this hearing today; we hope you will continue your interest in the future. Thank you.

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